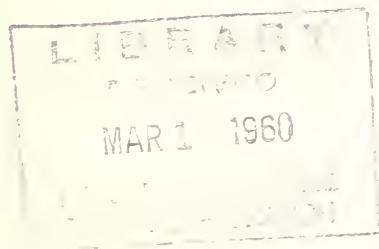


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PROMOTION OF FARM PRODUCTS



by Agricultural Groups

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
MARKET DEVELOPMENT RESEARCH DIVISION

MARKETING RESEARCH REPORT NO. 380

PREFACE

This report describes and documents the promotional activities of agricultural groups in the United States. The research was conducted by the Market Development Research Division of the Agricultural Marketing Service.

The study contributes to and is a part of a broad program of marketing research designed to provide information that will be helpful in maintaining and expanding markets for farm products.

The Farmer Cooperative Service, U. S. Department of Agriculture, State departments of agriculture, and agricultural economics departments of the land-grant colleges contributed to the early planning of the project.

The Agricultural Marketing Service carries on important promotional functions to foster consumption of plentiful farm products in the United States; and the Federal Extension Service cooperates with the land-grant college extension services in carrying out consumer education activity. The Foreign Agricultural Service actively promotes sales of farm products abroad. This study, however, does not include Federal government activities to promote increased consumption of farm products.

The research was conducted under the general direction of George H. Goldsborough.

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PROMOTION OF FARM PRODUCTS BY AGRICULTURAL GROUPS

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SUMMARY

A survey of agricultural groups in the United States conducted during late 1958 and early 1959 found slightly over 1,100 of such groups engaged in promotion. These groups spent about \$67 million during the fiscal year ending in 1958 for the promotion of agricultural products.

Groups engaged in the promotion of farm products that were included in the survey were (1) farmer cooperatives, (2) producer groups and joint producer-processors or shipper groups organized either voluntarily or under permissive enabling legislation, (3) processor or shipper groups, and (4) State agencies. Individual growers, shippers, and processors of farm products, and private firms processing and marketing farm products were not included. In most instances, expenditures for 1958 represent outlays for promotion of each respondent during a fiscal year ending in the 1958 calendar year.

Groups depending primarily on voluntary support represented 30 percent of all groups reporting expenditures and accounted for 38 percent of the total spent by all groups. Farmer cooperatives ranked first in number of groups promoting, but were second to voluntary groups in expenditures. Groups such as councils, commissions, and boards, that depend primarily on taxes imposed by law or assessments and checkoffs approved by the producers or processors through referendum, contributed substantially to the promotion of farm products. State departments of agriculture also reported promotional expenditures, though not so large in total as the other three groups.

More than 50 percent of total promotional expenditures was in the form of advertising. Cooperatives allocated about 65 percent of their promotional investment to advertising. Among the groups surveyed, more funds were allocated to magazines for advertising than to any other medium.

Public relations and consumer education accounted for about 23 percent of the total expended on promotion. Merchandising aid accounted for 17 percent, with point-of-sale material representing nearly half of this total.

In addition to the \$67 million about \$800,000 was spent on foreign promotional activities. About \$1.4 million was spent on research related to promotion.

Dairy and fruit products together accounted for almost 70 percent of the expenditures for all products. Voluntary groups were the largest promoters of dairy products, while groups receiving support through taxes, assessments, and checkoffs were the biggest spenders for fruit.

For the other product classes for which data were classified, no single group accounted for more than 6 percent of total expenditures.

Promotional programs national in scope accounted for 48 percent of all promotional expenditures. State and local programs combined accounted for 36 percent, and regional programs accounted for the remaining 16 percent.

Strictly commodity promotional programs (oriented toward a commodity, i.e., milk, without further identification) received 57 percent of the total funds allocated. Remaining funds were about equally allocated between the promotion of branded products and products or commodities identified with a specific area of production.

The promotional groups surveyed, while primarily producer oriented, received considerable support from processors, shippers, and State appropriations and other sources. In addition, groups solely sponsored by processors or shippers were included but only where a purely commodity promotional approach was used. 1/ Such groups accounted for about 5 percent of the total promotional expenditures shown by all groups. Sources other than farmers were responsible for 25 percent of all the promotional funds used.

About 39 percent of the total promotional support was obtained through voluntary procedures, 38 percent through taxes, assessments, or checkoffs, 22 percent through allocation from sales receipts, and the remainder through miscellaneous or unidentified procedures.

The promotional groups reporting indicated that they were budgeting about 9 percent more funds for promotion in 1959 than in the preceding year.

BACKGROUND

Large sums of money and a great deal of time now go into advertising, merchandising, and other activities designed to enhance the demand for products and services of United States agriculture and industry. Of the more than \$10 billion annually estimated to be spent for advertising alone, 17 to 20 percent is believed to be for food and food products. Additional amounts are spent for nonfood agricultural products. The magnitude of total promotional expenditures would be even more impressive if promotional costs other than advertising were included.

The promotion of food and other agricultural products has traditionally been an accepted part of selling by processors, distributors, and retailers.

1/ These independently sponsored processor or shipper groups are included when reference is made to producer oriented or producer processor groups.

Agricultural producers are generally not large enough to justify or support promotion of their products. Marketing and price problems created by abundant supplies, producers' loss of personal contact with buyers and customers as a result of increasing specialization, and marketing changes caused by the shift to mass merchandising through self-service supermarkets, have challenged producers to give increased attention to promotion to increase demand for farm products.

Recognizing the need to help themselves, producers and processors began to undertake extensive promotional activities through group action. Starting from pioneering efforts in this field by a few of the larger marketing cooperatives in the early 1900's, promotional activity appears to have increased dramatically in recent years. Efforts of producers in many instances have been supported by processors, shippers, and others.

While the growth of such promotional activity over the last decade has seemed apparent, the extent and nature of this activity has not been documented. Individual promotional groups need to be apprised of the extent and nature of promotional effort for competitive products, to be able to direct their own programs more intelligently. A detailed description of such promotional activities will be especially useful to groups contemplating entering the field.

OBJECTIVES AND PROCEDURE

The major objectives of this study were to determine (1) the number and type of agricultural groups engaged in promotion of U. S. farm products; (2) the volume of funds expended by product class and type of activity; (3) the nature and scope of promotional programs; and (4) methods of financing and source of funds.

The data on which this report is based were obtained from a mail survey of all known agricultural promotional groups.

Before initiating the survey it was necessary to determine and document the population of the universe, as this had not previously been done. A list of potential respondents, numbering slightly more than 2,100, was developed through the assistance of the State departments of agriculture, extension marketing specialists at the land-grant colleges, the Farmer Cooperative Service, and by reviewing published materials.

The initial mailing of questionnaires was made in the fall of 1958 with two follow-up questionnaires mailed to nonrespondents (fig. 1). Questionnaires were returned by slightly more than 80 percent of those surveyed. Based on the response rate, expenditures reported by respondents were projected to the universe total. However, since 100-percent response was obtained from those promotional groups known to be spending \$1 million and over annually, expenditures of these groups were not included in the base used for projection. The actual reported expenditures of groups spending less than \$1 million was projected by applying the factor 1.25. To this

total, actual expenditures reported by million-dollar promoters were added, resulting in a grand total of \$67 million for all promotional groups.

Similarly, the number of groups engaged in promotion was estimated by determining the ratio of the number of groups reporting expenditures to the total number returning questionnaires, applying this ratio--52 percent--to nonrespondents, and adding the resulting number to the number actually reporting expenditures. Again million-dollar spenders were assumed to have made complete response and were excluded in determining the response ratio.

FINDINGS

Agricultural groups in the United States spent an estimated \$67 million for the promotion of farm products during 1958. Expenditures of individual groups ranged from less than a hundred dollars to several million dollars. Also, within the broad fields of advertising, merchandising aid, and consumer education and public relations, there was a wide array of activities and techniques used by promotional groups. The groups or organizations actively engaged in promoting farm products in the U. S. in 1958 included farmer cooperatives; commodity trade or promotional type associations, commissions, boards, institutes and councils; and State departments of agriculture. These groups financed their promotional activities with funds provided by producers of agricultural products. But processors and shippers as well cooperated by contributing substantial sums to the promotional efforts of a number of these groups. Some funds were obtained from legislative appropriations. Various methods and procedures were used to collect and channel funds into the treasuries of the respective promotional groups. These included: (1) voluntary procedures, such as contributions and membership dues or fees, (2) direct taxes imposed by law, and assessments and checkoffs approved through referenda authorized by enabling legislation, (3) allocation of funds from sales receipts, (4) appropriations from State funds, or (5) a combination of 2 or more of the above. The primary source of promotional funds expended by cooperatives was sales receipts from products marketed for its members. Direct promotional expenditures of State departments of agriculture were dependent largely on appropriation from general tax funds. In addition, in many instances the State departments of agriculture exercised some control over the promotional activities of quasi-governmental promotional groups. These groups, which included commissions, boards, and councils established under enabling State legislation, were funded by such means as taxes and assessments and checkoffs against marketings of producers or processors. As indicated previously, these assessments or checkoffs are normally subject to approval by the parties involved through referenda authorized by specific legislation.

The extent of the promotional activities conducted by producer-processor groups ranged from national to local. It also included the promotion of branded products, primarily by cooperatives, products identified with a State or region, as well as a purely commodity approach to promotion.

Type of Promotional Group

Of the 2,100 groups included in the survey, 1,132 reported direct promotional expenditures in 1958. Reporting expenditures were 574 cooperatives, 345 voluntary organizations, and 120 groups, such as commissions, councils, boards, and similar groups depending primarily on mandatory financial support (table 1). ^{2/} Promotional expenditures were reported for 20 programs conducted by State departments of agriculture or equivalent agencies, and by 73 groups unidentified as to type of organization.

About 48 percent of the groups included in the survey did not report direct promotional expenditures. Some of these groups indicated that while they were not directly engaged in promotion they were financially supporting the promotional effort of regional or national groups with which they were affiliated. ^{3/} Other groups reported they were set up to engage in promotion but were inactive at the time of the survey while others were not active to any extent. The exact number in each of these groups could not be determined by the information supplied by those not reporting direct expenditures.

Voluntary producer-processor groups spent about \$26 million and accounted for about 38 percent of the total expenditures of all producer oriented promotional groups in 1958. Although these groups indicated that they were voluntary in nature, their expenditure included substantial funds not derived from voluntary support. A determination by method of collection of promotional funds for all groups indicated that there was little difference in the amount obtained through voluntary procedures, \$25.7 million, and that collected through taxes, assessments and checkoffs, \$25.3 million.

Farmer marketing cooperatives, including bargaining cooperatives, ran a close second in volume of funds spent for promotion. Of the \$25 million spent by cooperatives, 58 percent was reported as derived from sales receipts. The remaining 42 percent, or \$10.5 million, was reported as coming primarily from voluntary assessments.

Commissions, councils, boards, institutes, etc., spent nearly \$14 million for promotion during 1958. These groups are often quasi-governmental in nature and depend largely on taxes, assessments, or checkoffs for their promotional funds. Programs conducted by State departments of agriculture accounted for about \$1.4 million in 1958. These funds were largely derived from legislative appropriations. This relatively small amount, however, does not reflect the true extent of promotional activities of this group. State departments of agriculture influence promotion not only by direct expenditures but also by matching funds of producer-promotional groups, counseling quasi-governmental groups, and by their ability to take advantage of public service programs of an area's communications media.

^{2/} Expenditures for the separate promotional activity (normally brand promotions) that may have been engaged in by individual growers, shippers, and processors or firms are not included in the study.

^{3/} Only direct expenditures for promotion were reported by respondents. Funds transferred to another or affiliated group are reported only for the group actually spending the funds.

Other groups, which for the most part did not indicate their type of organization, spent less than one million dollars for promotion in 1958.

Nature of Programs

Programs national in scope accounted for 48 percent of the expenditures of agricultural producer promotional groups (table 2). Regional programs accounted for 16 percent and State and local programs 36 percent. The geographical area covered by a promotional program does not necessarily conform to the area in which the promoted product is produced or in which the producer or processor of the product is located.

Promotion of branded products accounted for only 21 percent of the approximately \$67 million spent for all products and by all groups (table 3). As would be expected, cooperatives did most of the strictly brand product promotion, accounting for 96 percent of the total spent in this manner; unidentified groups accounted for the remainder. However, cooperatives indicated that only 54 percent of their total promotional expenditures were for branded products. Most commodity promotional activities reported by cooperatives were either by associations not physically handling a product or by marketing cooperatives dominant in the marketing of a particular product nationally or within a given marketing area.

A strictly commodity approach to promotion of farm products by producer oriented groups is represented by about 57 percent of total promotional funds expended. Voluntary trade associations were most active in this type of promotion, accounting for 60 percent of the total spent. Examples of the commodity approach to promotion are those taken by such groups as the American Dairy Association for "milk", "butter", "cheese" and other products, and the National Cotton Council for "cotton".

A type of promotion that may be classified as a hybrid of the commodity and brand approach was found to be popular among promotional groups endeavoring to expand the market for products from a specific area of production within a State. Examples would be the promotion of "Maine potatoes" by the Maine Potato Commission, "Idaho potatoes" by the Idaho Potato Commission, "Washington apples" by the Washington State Apple Commission, and "Florida citrus" by the Florida Citrus Commission. In this type of promotion the groups strive to provide a promotional umbrella under which individual producers or processors in a specific geographical area more successfully may sell and promote their private brands. About 22 percent of the combined expenditures of all groups involved the identification of a promoted product with an area of production.

Type of Promotion

Advertising was by far the most popular type of promotional activity sponsored by producer oriented promotional groups, with slightly more than half, or about \$34.6 million, spent in this manner (table 4). Public relations and consumer education accounted for \$15 million, merchandising aid

for \$11.5 million, and other activities, largely unidentified, accounted for the remaining \$5.3 million.

Allocation of the promotional budget varied somewhat among the various types of organization. Advertising accounted for about 65 percent of the promotional budget of farmer cooperatives. Significantly smaller sums were spent for merchandising aid, public relations and consumer education, and other unidentified activities. Cooperatives' emphasis on advertising may be a reflection of the fact that they promote branded products in many instances, whereas other groups tend to use a commodity or semi-commodity approach in promotion.

Advertising, and public relations and consumer education, were each allocated about 41 percent of the total budget of voluntary promotional groups. Voluntary groups divided their remaining funds almost equally between merchandising aid and other, unidentified, activities.

Advertising was allocated over one-half of the combined promotional expenditures of commissions, boards, councils, and so on, operating under State enabling legislation. About one-fourth of this group's funds went to merchandising aid and one-sixth to consumer education and public relations.

State departments of agriculture allocated \$528 thousand of their approximately \$1.4 million total budget to public relations and consumer education. Advertising accounted for \$473 thousand.

Other groups, largely unidentified, allocated about 42 percent of their \$594 thousand total expenditures to advertising.

For all groups the amount spent directly for consumer education and public relations does not reflect the free time and services offered by existing communication media, and other opportunities made available through community organizations.

Media Allocation

Of the nearly \$35 million spent for advertising by all groups included in this survey, magazines accounted for a larger sum, \$8.9 million, than any other medium (table 5). Voluntary producer-processor groups relied heavily on magazine advertising, allocating 41 percent of their advertising budget to this medium and contributing one-half of the total sum spent by all groups in magazine advertising.

Television accounted for only a slightly smaller total expenditure, or \$8.1 million. The three major groups; (1) farmer cooperatives, (2) boards, commissions, etc., under State laws, and (3) voluntary groups, each spent between \$2.5 and \$2.9 million for television advertising, despite considerably greater differences in total funds available.

Newspaper advertising accounted for \$7.1 million of the \$35 million spent for advertising. Cooperatives spent more in newspapers than in any other

advertising medium and were the largest users of this medium among the types of organizations studied.

Magazines, television, and newspapers together accounted for about 70 percent of the total amount expended for advertising.

Radio advertising accounted for about 11 percent of the total, with cooperatives spending more than two-thirds of the approximately \$3.7 million spent by all groups for such advertising.

Advertising Allowances

Allowances to wholesalers and retailers represented only a minor portion (3 percent) of total advertising expenditures. Its use was reported almost solely by farmer cooperatives.

The failure of other groups to promote through advertising allowances is probably due to the fact that they do not have physical control of sales of the promoted products and are, therefore, not in a position to offer a remuneration for its promotion by the wholesaler or retailer, or see that such an agreement would be carried out.

Merchandising Aid

Merchandising aid to retailers and wholesalers amounted to almost \$11.5 million in fiscal 1958, with point-of-sale materials and dealer service accounting for about 78 percent of this total (table 6). Considerably more money--about \$5.4 million--was spent for point-of-sale material than for other forms of merchandising aid. Second in importance was dealer service with \$3.6 million. Farmer cooperatives and groups such as commissions, councils, and boards accounted for most of the money spent for dealer service activity. This form of merchandising aid was found to be more characteristic of large than small promotional groups. Demonstrations, premiums, and other unidentified activities were allocated about \$2.2 million. About \$300 thousand was spent for prizes and awards.

Products Promoted

Almost 70 percent of the total promotional expenditures of producer-processor groups was for dairy and fruit products (table 7). Dairy products alone accounted for nearly 38 percent of the total, with fruit products a close second. Of the other product classes for which expenditures were classified--natural fibers, meat and livestock, vegetables, and poultry and eggs--each accounted for from about 3 to 5 percent of the total expended. About 14 percent of total expenditures were for promotion of all other products.

Voluntary producer-processor groups accounted for 48 percent of the total spent for advertising dairy products. Farmer cooperatives were also important promoters of dairy products, accounting for about 40 percent of the total

spent. Promotional expenditures of commissions, councils, boards, and so on, accounted for 9 percent. State departments of agriculture and other groups represented the remaining 3 percent of the total spent for dairy products.

More than 50 percent of the total amount expended for promotion of dairy products was in the form of advertising, and 30 percent was in consumer education and public relations (table 8). Of the dairy advertising budget, over \$4 million, or about 31 percent, was spent for television (table 9). Dairy products also were advertised in a substantial way through newspapers, magazines, and on radio. About half of the merchandising aid directed to dairy products was in the form of point-of-sale material (table 10).

Heaviest spenders for fruit and fruit products promotion were such groups as commissions, councils, and boards, where promotion is directed by law or authorized under enabling legislation and approved through a referendum. This group contributed 47 percent of the total for this product class (table 7). An almost equal sum was spent by farmer cooperatives. All other groups accounted for slightly less than 9 percent of the sum spent for fruit.

Advertising was also the dominant form of promotion for fruit, accounting for nearly 55 percent of the total expenditure for this product class (table 8). Merchandising aid played an important role, accounting for about 28 percent. About 7 percent of fruit promotion took the form of public relations and consumer education; the remaining promotion was unidentified.

Fruit and fruit product advertising was done primarily through the three media: Magazines, television, and newspapers (table 9). Merchandising aid was represented primarily by dealer service activity and point-of-sale material (table 10).

Natural fibers and meat and livestock received a major proportion of their support from voluntary groups, poultry and eggs from cooperatives, and vegetables from mandatory support groups (table 7).

Magazines were the principal medium for advertising meat and livestock products, as well as natural fibers (table 9). Newspapers, television, and outdoor advertising, together, accounted for about 50 percent of the \$1 million spent in advertising poultry and eggs. Newspapers accounted for about 42 percent of the total spent in advertising vegetables.

For all product classes except fruit, point-of-sale material was the major form of merchandising aid (table 10).

Source of Funds

Although this study was concerned with the group promotional effort of producers of agricultural products, it was found that processors, shippers, and other marketing agents often joined or independently supported such effort. Producers were the source of 56 percent of the total spent for promotion in 1958 (table 11). Since promotional funds derived from sales receipts represent deductions from producer member returns, they are in effect

contributions from producers. If such funds are included, the total contributed by producers amounts to almost \$52 million or 78 percent of the promotional funds from all sources. Processors contributed a substantial \$10 million to the promotional effort, exclusive of the much larger sums spent directly to advertise their own branded products.

Shippers were the source of about \$1.4 million in funds, and State appropriated funds provided less than \$1 million. About \$2 million came from sources largely unidentified by respondents.

Related Activities

In addition to the \$67 million spent in the United States during 1958 by agricultural producer or producer-processor groups, slightly under \$1 million was spent for foreign promotional activities (table 12). Such activities were reported primarily by the larger groups. Activities of farmer cooperatives represented about two-thirds of these funds.

Promotional groups also reported spending slightly over \$1 million for research related to promotion, or a sum equal to about 2 percent of that spent on promotion. Voluntary groups exhibited slightly greater interest in research by spending a little over 3 cents for each dollar allocated to promotion. Their expenditures represented 63 percent of the total spent for research by all groups

Trends

Producer-processor groups indicated that they were budgeting over \$72 million for promotion in 1959 in contrast to the \$67 million actually spent in the preceding year (table 13). This increase of about 9 percent was the result of larger budgets by groups active in the preceding year as well as budgeting by groups re-entering the promotional field or entering for the first time. Of the approximately \$5.7 million increase indicated, about \$900 thousand came from groups not directly financing a program in 1958. There was a 2-percent increase indicated between 1958 and 1959 in the number of groups actively and directly engaged in promotion.

An above average increase--12 percent--in funds budgeted for promotion from 1958 to 1959 was shown by commissions, boards, and similar groups operating under specific enabling legislation. State departments of agriculture also indicated an above average increase--11 percent--in the amount budgeted for promotion. Voluntary groups continued to budget more for promotion than any other group, although the percentage increase indicated for 1959 was slightly less than the average for all groups. Farmer cooperatives budgeted 8 percent more for promotion in 1959, and continued to rank second to voluntary groups in amount budgeted.

Promotional budgets for 1959 indicate that increased emphasis was being placed on programs limited in scope to a state level (table 13).

Information was not obtained as to the breakdown of 1959 promotional budgets by type of activity and product class or by source and method of collection.

TABLES OF PROMOTIONAL EXPENDITURES

Table 1.--Estimated funds expended and number of agricultural groups, United States 1958 1/

Type of organization	Organizations promoting	Expenditures
	Number	<u>1,000 dollars</u>
Voluntary producer-processor groups....	345	25,508
Farmer marketing cooperatives 2/.....	574	25,149
Commissions, councils, boards, institutes, etc. established under enabling legislation 3/.....	120	13,961
State departments of agriculture.....	4/ 20	1,385
Others and unidentified 5/.....	73	594
Total.....	1,132	66,597

1/ Expenditures in most instances are for a fiscal year ending sometime in 1958.

2/ Includes bargaining cooperatives sales agencies, federation and similar cooperative groups.

3/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

4/ Individual programs sponsored by State Departments of Agriculture or equivalent agency.

5/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 2.--Estimated promotional expenditures of agricultural groups, by geographic scope and type of activity, United States, 1958 1/

Scope	Public relations			Other 3/	Total
	Advertising	and consumer education	Merchandising aid 2/		
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
National.....	15,467	8,952	5,167	2,254	31,840
Regional.....	6,110	1,338	1,893	1,559	10,900
State.....	8,866	3,557	3,695	1,212	17,330
Local.....	4,186	1,317	738	286	6,527
Total.....	34,629	15,164	11,493	5,311	66,597

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ Point-of-sale materials, dealer-service, etc.

3/ Miscellaneous and unidentified promotions.

Table 3.-Estimated promotional expenditures of agricultural groups by commodity versus brand programs, United States, 1958 1/

Group	Commodity promotion		Brand products	Total		
	Identified with:					
	area of origin	area of origin				
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars		
Voluntary producer-processor groups.....	22,705	2,381	422	25,508		
Farmer marketing cooperatives 2/...	8,984	2,548	13,617	25,149		
Commissions, councils, boards, institutes, etc., established under enabling legislation 3/...	4,803	9,131	27	13,961		
State departments of agriculture..	970	415	---	1,385		
Others and unidentified 4/.....	422	83	89	594		
Total.....	37,884	14,558	14,155	66,597		

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

3/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

4/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 4.--Estimated promotional expenditures by type of agricultural groups and kind of promotional activity, United States, 1958 1/

Group	Advertising	Public relations	Merchandising	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Voluntary producer-processor groups <u>2/</u>	10,417	10,456	2,586	25,508
Farmer marketing cooperatives <u>3/</u>	16,281	1,775	5,119	1,974
Commissions, councils; boards, institutes, etc. established under enabling legislation <u>4/</u>	7,206	2,225	3,580	950
State departments of agriculture	473	528	125	259
Others and unidentified <u>5/</u>	252	180	83	79
Total	34,629	15,164	11,493	5,311

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ Point-of-sale materials, dealer-service, etc.

3/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

4/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

5/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 5.--Estimated advertising expenditures of agricultural groups by kind of media, United States, 1958 1/

Group	Magazine	Television	Newspaper	Radio	Outdoor advertising	Trade publications	Direct mail	Other 2/	Total
Voluntary producer-processor groups.....	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars				
Farmer marketing cooperatives 3/	4,246	2,891	1,644	486	139	441	3	98	469
Commissions, councils, boards, institutes, etc. established under enabling legislation 4/	2,942	2,699	3,862	2,609	1,212	550	1,079	314	1,014
State departments of agriculture.....	1,658	2,465	1,420	518	335	442	1	104	263
Others and unidentified 5/.....	6	29	99	62	250	22	---	---	5
Total.....	8,858	8,098	7,141	3,691	1,947	1,472	1,096	531	1,795
									34,629

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ Match books, pencils, uniforms, brochures, floats, etc., and unidentified.

3/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

4/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

5/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 6.--Estimated expenditures for merchandising aid by agricultural groups by kind of activity,
United States, 1958 1/

Group	Point-of-sale:	Dealer-service:	Prizes and awards:	Other 2/	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Voluntary producer-processor groups.....	1,555	440	60	531	2,586
Farmer marketing cooperatives 3/.....	2,180	1,363	96	1,480	5,119
Commissions, councils, boards, institutes, etc. established under enabling legislation 4/...	1,528	1,754	85	213	3,580
State departments of agriculture.....	60	14	50	1	125
Others and unidentified 5/	50	17	12	4	83
Total.....	5,373	3,588	303	2,229	11,493

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ In-store demonstrations, contests, premiums, etc., and unidentified.

3/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

4/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

5/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 7.--Estimated promotional expenditures of agricultural groups, by product class, United States, 1958 1/

Group	Dairy	Fruit	Natural fibers	Meat and livestock	Vegetables	Poultry and eggs	Other products	Total
Voluntary producer-processor groups 2/.....	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Farmer marketing cooperatives 3/.....	12,030	1,617	3,329	2,829	456	515	4,732	25,508
Commissions, coun-cils, boards, insti-tutes, etc., estab-lished under enab-ling legislation 3/.....	9,885	9,089	126	265	456	1,012	4,316	25,149
State departments of agriculture.....	2,146	9,595	6	95	1,429	475	215	13,961
Others and uniden-tified 4/.....	720	80	---	101	36	253	195	1,385
Total.....	24,957	20,456	3,465	3,364	2,401	2,298	9,656	66,597

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1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

3/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

4/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

Table 8.--Estimated promotional expenditures of agricultural groups by product class and kind of activity, United States, 1958 ^{1/}

Product class	Advertising	Public relations		Merchandising: aid 2/	Unidentified	Total
		and	consumer education			
	1,000 dollars	1,000 dollars		1,000 dollars	1,000 dollars	1,000 dollars
Dairy.....	13,754	7,545		1,929	1,729	24,957
Fruit.....	11,146	1,362		5,706	2,242	20,456
Natural fibers (cotton and wool).....	1,304	669		1,156	336	3,465
Meat and livestock.....	1,196	1,587		441	140	3,364
Vegetables.....	1,217	363		519	302	3,401
Poultry and eggs.....	1,156	744		298	100	2,298
Other products.....	4,856	2,894		1,444	462	9,656
Total.....	34,629	15,164		11,493	5,311	66,597

^{1/} Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.
^{2/} Point-of-sale materials, dealer-service, etc.

Table 9.--Estimated advertising expenditures of agricultural groups by product class and kind of media, United States, 1958 ^{1/}

Product class	Magazine	Television	Newspaper	Outdoor advertising		Advertising allowances		Direct mail	Other 2/	Total
				<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>			
Dairy.....	2,068	4,249	2,643	1,849	1,311	244	458	117	815	13,754
Fruit.....	3,510	2,837	2,427	930	215	501	262	160	304	11,146
Natural fibers (cotton and wool).....	724	311	138	33	7	43	10	20	18	1,304
Meat and live-stock.....	634	221	137	57	18	22	7	50	50	1,196
Vegetables.....	90	137	511	74	4	229	5	42	125	1,217
Poultry and eggs.....	154	161	237	138	159	66	138	57	46	1,156
Other products... Total.....	1,678	182	1,048	610	233	367	216	85	437	4,856
	8,858	8,098	7,141	3,691	1,947	1,472	1,096	531	1,795	34,629

^{1/} Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

^{2/} Match books, pencils, uniforms, brochures, floats, etc., and unidentified.

Table 10.--Estimated expenditures for merchandising aid by agricultural groups by product class and kind of activity, United States, 1958 1/

Product class	Point-of-sale:	Dealer-service:	Prizes and awards:	Other 2/:	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Dairy.....	950	467	128	384	1,929
Fruit.....	2,287	2,386	59	974	5,706
Natural fibers.....	710	306	---	140	1,156
Meat and livestock.....	207	132	33	69	441
Vegetables.....	257	122	29	111	519
Poultry and eggs.....	214	49	20	15	298
Other products.....	748	126	34	536	1,444
Total.....	5,373	3,588	303	2,229	11,493

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.
 2/ In-store demonstrations, contests, premiums, etc., and unidentified.

Table 11.--Source of promotional funds and method of collection by agricultural groups, United States, 1958 1/

Source and method of collection	:	Estimated promotional funds
	:	<u>1,000 dollars</u>
<u>Source:</u>	:	
Producer.....	:	37,521
Processor.....	:	10,278
Shipper.....	:	1,422
Sales receipts <u>2/</u>	:	14,535
State appropriation.....	:	882
Other <u>3/</u>	:	1,959
Total.....	:	66,597
<u>Method:</u>	:	
Membership dues, fees, or contributions.....	:	25,695
Taxes, assessments, or checkoffs.....	:	25,303
Sales receipts <u>2/</u>	:	14,535
State appropriation.....	:	882
Unidentified.....	:	182
Total.....	:	66,597

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.

2/ A major source of funds for farmer marketing cooperatives.

3/ Fees or charges for services, sales of promotional or educational aids, income from investments, reserves and unidentified.

Table 12.--Estimated expenditures for foreign promotional activity and research related to promotion by United States agricultural groups 1/ 1958

Group	Foreign promotion	Related research
Voluntary producer-processor groups.....	1,000 dollars	1,000 dollars
Farmer marketing cooperatives 2/.....	526	212
Commissions, councils, boards, institutes, etc., established under enabling legislation 3/.....	244	234
State departments of agriculture.....	22	---
Others and unidentified.....	55	55
Total.....	792	1,364

1/ Expenditures in most instances are for a fiscal year ending in the 1958 calendar year.
 2/ Includes bargaining cooperatives, sales agencies, federations and similar cooperative groups.

3/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

4/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

5/ Less than one thousand dollars.

Table 13.--Estimated promotional expenditures of agricultural groups and geographic scope of program, United States, 1958-59 1/

	1958	1959
	1,000 dollars	
<u>Group:</u>		
Voluntary producer-processor groups.....		25,508
Farmer marketing cooperatives 2/.....	25,149	25,579
Commissions, councils, boards, institutes, etc., etc., established under enabling legislation 3/.....	13,961	27,050
State departments of agriculture.....	1,385	15,672
Others and unidentified 4/.....	594	1,535
Total.....	66,597	434
<u>Scope:</u>		
National.....		31,840
Regional.....	10,900	33,822
State.....	17,330	11,871
Local.....	6,527	19,571
Total.....	66,597	7,006
		72,270

1/ 1958 expenditures in most instances are for a fiscal year ending in the 1958 calendar year. 1959 expenditures represent funds budgeted by each respondent for the fiscal year at the time of the survey.

2/ Includes bargaining cooperatives, sales agencies, federations, and similar cooperative groups.

3/ Financial support is normally mandatory, either as a direct result of legislation or after approval has been shown by a referendum of producers.

4/ Informal groups, committees, clubs, etc., but for the most part unidentified as to type of organization.

U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
MARKETING RESEARCH DIVISION

SURVEY OF PROMOTIONAL ACTIVITIES FOR AGRICULTURAL PRODUCTS

INSTRUCTIONS: If exact figures as to some items are not available, enter estimates and mark with an asterisk (*). Please complete and mail to the U. S. Department of Agriculture. An envelope requiring no stamp is enclosed.

1. TYPE OF ORGANIZATION PROMOTING FARM PRODUCTS (Check one)

A. Cooperative association D. State Department of Agriculture
B. Agency formed and operating under State laws
(such as commission, council, institute or board)..... E. Other (*Specify*)
C. Organization operating on a voluntary basis
(such as trade association, council, or institute).....

2. IS YOUR ORGANIZATION? (Check one)

A. National B. Regional C. State D. Local

3. A. Did you engage in promotional activity relating to agricultural products during your last fiscal year? YES NO

B. Do you have a promotional program for your current fiscal year? YES NO C. YOUR FISCAL YEAR IS: FROM _____ (month) through _____ (month).

4. A. Indicate your total expenditures in the U. S. for advertising, merchandising, public relations and consumer education, other promotional activities, and overhead attributable to promotion of farm products during your *last fiscal year*. (Include money you spent to promote, including production costs, but do not include money spent for research related to promotion or money transferred to affiliated organizations for promotional activity.)

Check whether ACTUAL OR ESTIMATED - - - - - \$ - - - - -

B. Indicate your total proposed expenditures for these promotional activities during current fiscal year \$ -

NOTE: If you did not engage in promotional activity during your last fiscal year, please sign questionnaire and return it in the attached self-addressed envelope (No stamp required) to the U. S. Department of Agriculture. If you had a promotional program during your last fiscal year, continue below.

5. Of your total promotional expenditures during the last fiscal year indicated in Question 4 A, how much was spent for the activities below, by type of product, such as dairy, poultry, eggs, livestock and meat, fruit, vegetables, cereal products, fats and oils, cotton, wool, and others:

1/ See Question 6 for description of items included.

(COMPLETE THE QUESTIONNAIRE ON THE REVERSE, SIGN, AND RETURN)

Figure 1, A--Questionnaire Used in Survey.

6. HOW DID YOU ALLOCATE THE FUNDS EXPENDED DURING YOUR LAST FISCAL YEAR FOR THE ADVERTISING AND MERCHANDISING DESCRIBED IN QUESTION 5?

A. Advertising, Including Production Costs:

(1) Newspapers	\$
(2) Magazines	
(3) Radio	
(4) Trade publications	
(5) Television	
(6) Direct mail	
(7) Outdoor (billboard)	
(8) Advertising allowances to retailers and wholesalers	
(9) Other: (Specify)	
TOTAL ADVERTISING	

B. Merchandising Support:

(1) Dealer service representatives	\$
(2) Point-of-sale materials	
(3) Prizes and awards	
(4) Other: (Specify)	
TOTAL MERCHANDISING	

7. EXPENDITURES DURING LAST FISCAL YEAR FOR:
(If none, please so indicate.)

A. Research Related To Promotion, Including Contracts and Grants

A. Research Related To Promotion, Including Contracts and Grants	\$
B. Funds Transferred TO Affiliated Organizations	\$
C. Promotional Expenditures Outside Continental U.S.A.	\$

8. PERCENT OF YOUR PROMOTIONAL FUNDS SPENT FOR:

A. Product(s) With a Private Brand	%
B. Product(s) Identified With a State, Area, or Region	%
C. Product(s) Without Specific Brand Name (such as apples, beef, orange juice)	%
TOTAL	100 %

DATA SUPPLIED BY:

NAME	TITLE	DATE
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THIS COMPLETES THE QUESTIONNAIRE. PLEASE CHECK TO SEE THAT YOU HAVE ANSWERED THE APPROPRIATE QUESTIONS. YOUR COOPERATION IS APPRECIATED. MAIL QUESTIONNAIRE IN ENCLOSED SELF-ADDRESSED ENVELOPE (no stamp required).

Figure 1, B.--Back of Questionnaire Used in Survey

